

Message Text

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ACTION IO-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00

PA-02 USIA-15 PRS-01 SP-02 AF-06 ARA-10 EA-09 NEA-10

EB-07 AID-05 COME-00 LAB-04 SIL-01 TRSE-00 STR-04 L-03

H-02 OIC-02 /113 W

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R 060356Z NOV 75

FM USMISSION USUN NY

TO SECSTATE WASHDC 3695

INFO AMEMBASSY VIENNA

UNCLAS SECTION 1 OF 2 USUN 5699

VIENNA: PLEASE PASS TO UNIDO

FOR MINISTER STIBRAVY

E.O. 11652: N/A

TAGS: UNGA EGEN

SUBJ: 30TH UNGA: AGENDA ITEM 56--UNIDO

THE GENERAL DEBATE ON THIS ITEM IN THE SECOND COMMITTEE
ENDED NOVEMBER 4. SOME 70 DELEGATES, INCLUDING
MYERSON, SPOKE. A SUMMARY OF THE POINTS MADE BY OTHER
DELEGATIONS WILL BE THE SUBJECT OF A SEPARATE TELEGRAM.
MYERSON'S STATEMENT FOLLOWS:

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MR. CHAIRMAN,

THIS IS THE FIRST OCCASION FOR THE SECOND COMMITTEE TO
CONSIDER UNIDO MATTERS SINCE DR. KHANE TOOK ON THE
RESPONSIBILITIES OF EXECUTIVE DIRECTOR. MY GOVERNMENT
EXTENDS TO HIM ITS BEST WISHES IN THIS IMPORTANT AND AS
YET UNCOMPLETED UNDERTAKING OF ACHIEVING A HARMONY OF
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INTERESTS AMONG ALL PARTICIPANTS ON QUESTIONS OF

INDUSTRIALIZATION AND UNIDO'S ROLE.

MY DELEGATION HAS BEEN STRUCK BY THE FACT THAT THE DEBATE ON UNIDO IN THE COMMITTEE HAS BEEN REplete WITH REFERENCES TO WHAT FORM UNIDO AND UNIDO'S ACTIVITIES SHOULD TAKE. WE HAVE HEARD LITTLE REGARDING ITS ACTUAL PROGRAM. WE FIND IT SOMEWHAT INCONGRUOUS TO DWELL ON THE QUESTION OF WHAT DIRECTION UNIDO SHOULD TAKE, WITH SO LITTLE CLEAR KNOWLEDGE OF ITS ACTUAL SITUATION. FOR EXAMPLE, WE ARE ALL AWARE OF THE LOW DELIVERY RATE OF TECHNICAL ASSISTANCE PROJECTS, YET WE HAVE BEEN GIVEN NO INDICATION IN ANY OF THE REPORTS BEFORE US OR IN THE STATEMENTS BEFORE THIS COMMITTEE WHICH WOULD TEND TO EXPLAIN THE SITUATION SATISFACTORILY. AS A MAJOR DONOR TO BOTH UNDP AND TO THE UNITED NATIONS'S REGULAR BUDGET, MY GOVERNMENT FINDS THE SITUATION RATHER DISTRESSING. I WOULD IMAGINE THAT DEVELOPING COUNTRIES ARE ALSO CONCERNED IN VIEW OF THE FACT THAT IT IS THEY WHO ARE MISSING FULFILLMENT OF THEIR DEVELOPMENT OBJECTIVES.

A SATISFACTORY LINK HAS NOT YET BEEN ESTABLISHED BETWEEN THE PLANNED REORGANIZATION OF UNIDO AND THE IMPLEMENTATION OF SPECIFIC MANDATES GIVEN THAT ORGANIZATION BY INTER-GOVERNMENTAL BODIES. MY GOVERNMENT WILL ADDRESS THE SPECIFIC ISSUES OF UNIDO'S BUDGET AND REORGANIZATION IN THE FIFTH COMMITTEE. WE HOPE SINCERELY THAT THAT COMMITTEE WILL HAVE BEFORE IT SUFFICIENT INFORMATION AND CANDID EXPLANATIONS OF THE MOTIVATION AND PURPOSE SO THAT GOOD DECISIONS CAN BE ARRIVED AT BY THE MORE THAN 140 DELEGATIONS REPRESENTED THERE. LET ME SAY ONLY THAT BECAUSE THE CONNECTIONS BETWEEN THE RE-STRUCTURING OF UNIDO AND THE NEED FOR GREATER EFFICIENCY WITHIN UNIDO HAS BEEN EXPLAINED IN A SKETCHY FASHION WE BELIEVE THAT SUBJECT GIVES RISE TO SOME SKEPTICISM. WE WOULD LIKE TO KNOW MORE IN ANY EVENT. I WOULD MAKE ONLY A FEW OBSERVATIONS ON THE RE-ORGANIZATION IN THIS COMMITTEE AT THIS TIME.

AT FIRST GLANCE THERE APPEARS TO BE MERIT IN CONCENTRATING THE IMPLEMENTATION OF ALL OPERATIONAL ACTIVITIES OF UNIDO IN ONE DIVISION AND IN ESTABLISHING ANOTHER
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DIVISION FOR CONFERENCE SERVICES, INFORMATION, AND STUDIES. SUCH AN ORGANIZATIONAL CHANGE PARALLES THE DISTINCTION, FOUND IN THE UNIDO CONSTITUTIONAL MANDATE, GA RES. 2153, BETWEEN VOLUNTARY FINANCING OF OPERATIONAL ACTIVITIES AND ASSESSED FINANCING OF ADMINISTRATIVE AND RESEARCH ACTIVITIES. THE FIFTH COMMITTEE WILL, OF COURSE, SORT THIS QUESTION OUT.

WE ARE CONCERNED WITH EVIDENCE ALREADY BECOMING AVAILABLE THAT SUCH DRASTIC CHANGE IN PERSONNEL STATUS AND RESPONSIBILITIES RISKS BEING DISRUPTIVE OF MORALE AND EFFICIENCY ACROSS THE BOARD. IT WOULD SEEM TO US THAT THE APPROPRIATE TIME FOR SUCH MAJOR REALIGNMENTS OF FUNCTIONS AND SHIFTS IN PERSONNEL WOULD HAVE BEEN AT THE TIME OF ENTRY INTO FORCE OF A SPECIALIZED AGENCY CONSTITUTION. THIS CHANGE IN THE STATUS OF UNIDO WITHIN THE UN SYSTEM FROM THE ADOPTION OF GENERAL ASSEMBLY RESOLUTION 2152 TO THE FOUNDATION OF A SPECIALIZED AGENCY CONSTITUTION WILL BE A MUCH GREATER WATERSHED IN UNIDO HISTORY THAN WAS THE LIMA DECLARATION AND PLAN OF ACTION. THE SPECIALIZED AGENCY CONSTITUTION WILL BE APPROVED UNANIMOUSLY BY ALL NATIONS WHICH CHOOSE TO BECOME MEMBERS OF THE NEW ORGANIZATION.

IN THE MEANTIME, THE US. FOR ITS PART BELIEVES THAT GA RESOLUTION 2152 SHOULD CONTINUE TO CONSTITUTE UNIDO'S BASIC MANDATE SINCE EIGHT OF THE LEADING INDUSTRIAL MEMBER STATES HAD VARIOUS RESERVATIONS ON THE LIMA DOCUMENTS.

MR. CHAIRMAN, MY DELEGATION RECOGNIZES THAT THE PROPER SCOPE AND TIMING FOR REORGANIZATION IS VERY MUCH A QUESTION OF JUDGMENT AND THAT THE DISTINGUISHED EXECUTIVE DIRECTOR HAS SOME LATITUDE TO EXERCISE HIS JUDGMENT IN RESPONDING TO THE DECISIONS OF THE UNIDO GENERAL CONFERENCE AND OF THE IDB. THE COMMENTS I HAVE JUST MADE ARE INTENDED ONLY AS A REMINDER THAT THE EXECUTIVE DIRECTOR'S JUDGMENTS AND ACTIONS ARE NOT UNLIMITED. THEY WILL AT SOME POINT BE LIMITED BY THE FEASIBILITY OF RAPID CHANGE AND AT SOME LATER POINT BY LEGAL AND CONSTITUTIONAL PARAMETERS.

THE PAST TWELVE MONTH PERIOD HAS BEEN CROWDED WITH CONFERENCES
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ADDRESSED DIRECTLY AND INDIRECTLY TO UNIDO, AND TO THE NEED TO ACCELERATE THE INDUSTRIALIZATION OF THE LESS-INDUSTRIALIZED COUNTRIES. THE US. HAS PARTICIPATED IN ALL OF THOSE CONFERENCES. ON OCCASION, WE HAVE BEEN UNABLE TO AGREE TO THE TOTALITY OF THE FINAL DECISIONS AND RESOLUTIONS. THIS WAS THE CASE NOTABLY AT LIMA. MY DELEGATION HAS HAD THE OPPORTUNITY TO REVIEW ITS PARTICIPATION IN THAT CONFERENCE AND TO CONSIDER ITS RESERVATIONS AND ITS VOTES AT THAT TIME. THE POSITION OF MY GOVERNMENT ON THESE MATTERS HAS NOT CHANGED.

THE UNITED STATES SUPPORTS AND SHARES THE ASPIRATION OF THE DEVELOPING COUNTRIES TO ACHIEVE HIGHER LEVELS OF ECONOMIC ACTIVITY. WE FULLY APPRECIATE THE LINKAGE BETWEEN ECONOMIC DEVELOPMENT AND INDUSTRIALIZATION. THERE IS NO DOUBT

THAT INDUSTRIALIZATION IS A PREREQUISITE TO ACCELERATED ECONOMIC DEVELOPMENT. THERE IS NO DOUBT FURTHERMORE THAT THE SHARE OF THE GLOBAL INDUSTRIAL PRODUCT PRESENTLY PRODUCED BY DEVELOPING COUNTRIES IS UNACCEPTABLY LOW. THE UNITED STATES WAS THE CRADLE OF THE IDEA THAT MEANINGFUL ECONOMIC DEVELOPMENT IS POSSIBLE ONLY IF THE DEPRIVED AND THE UNDEREMPLOYED ARE INCORPORATED INTO THE SYSTEM AND GIVEN THE OPPORTUNITY TO BE PRODUCTIVE CITIZENS AND CONSUMERS. WE ENDORSE THE VIEW SO FORCEFULLY EXPRESSED HERE BY THE DISTINGUISHED DELEGATE OF EGYPT WHEN HE POINTED OUT THAT ALL WILL BENEFIT BY THE INCREASED INDUSTRIALIZATION OF THE LESS-INDUSTRIALIZED COUNTRIES.

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R 061456Z NOV 75

FM USMISSION USUN NY

TO SECSTATE WASHDC 3696

INFO AMEMBASSY VIENNA

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THERE IS NO GROUND FOR DISPUTE HERE EXCEPT FROM THOSE WHO ARE TIED TO A RIGID 19TH CENTURY PHILOSOPHY OF ECONOMICS. WHAT IS IN CONTENTION HERE IS THE MEANS TO ACHIEVE OUR COMMON OBJECTIVES.

IT REMAINS THE VIEW OF MY GOVERNMENT THAT MARKET FORCES PROPERLY REGULATED NATIONALLY AND INTERNATIONALLY PROVIDE THE BEST MEANS FOR ACHIEVEMENT OF THE ASPIRATIONS OF THE DEVELOPING COUNTRIES. THIS VIEW OF THE WORLD PRESUPPOSES THE WILL TO ACHIEVE AN OPEN ECONOMIC SYSTEM. WHILE BROAD ENOUGH TO ENCOMPASS STATES ENGAGED IN

THOROUGH-GOING ECONOMIC PLANNING, IT IS ONE WHICH PRECLUDES INTERNATIONALLY DIRECTED ALLOCATION OF RESOURCES, WHETHER THE QUESTION INVOLVES ENTIRE INDUSTRIES OR THE RELATIVELY SIMPLIER QUESTION OF THE ALLOCATION OF CAPITAL. THE SYSTEM ASSUMES THAT THE LAW OF COMPARATIVE ADVANTAGE WILL BE ALLOWED TO FULFILL ITS LONG-TERM FUNCTIONS.

WE DO NOT WISH TO INVOLVE UNIDO IN ATTEMPTS TO IMPLEMENT A GRANDIOSE SCHEME OF GLOBAL RE-ALLOCATION BASED ON PRINCIPLES WHICH HAVE NOT RECEIVED THE SUPPORT OF ALL DELEGATIONS. THIS OBSERVATION IS PARTICULARLY IMPORTANT
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IN THE AREA OF INDUSTRIALIZATION SINCE THE PRINCIPLES TO WHICH I ALLUDE HAVE IN FACT NOT RECEIVED THE SUPPORT OF THE VAST MAJORITY OF INDUSTRIALIZED COUNTRIES. WITHOUT THE COOPERATION OF THE INDUSTRIALIZED COUNTRIES, IT IS DIFFICULT TO PERCEIVE HOW THE LESS INDUSTRIALIZED COUNTRIES COULD ACHIEVE THEIR ASPIRATIONS.

MR. CHAIRMAN, WE BELIEVE THAT THE SEVENTH SPECIAL SESSION OF THE GENERAL ASSEMBLY SET OUT A GENERALLY AGREED APPROACH TO ACCELERATED INDUSTRIALIZATION. NOT ONLY DID THE SECTION OF RESOLUTION 3362 PERTAINING TO INDUSTRIALIZATION ADDRESS ITSELF TO THIS ISSUE, BUT MOST OF THE SECTION ON SCIENCE AND TECHNOLOGY AND LARG PORTIONS OF THE PASSAGES ON TRADE AND FINANCE ARE RELEVANT. WE HOPE THAT THOSE AGREED TEXTS, SUBJECT TO STATED RESERVATIONS, CAN BE THE GUIDING SPIRIT FOR RENEWED AND CONCERTED COOPERATION BETWEEN INDUSTRIALIZED AND LESS-INDUSTRIALIZED COUNTRIES. THOSE AGREEMENTS REINFORCE THE MUTUALITY OF INTERESTS OF STATES AND RECOGNIZE THE IMPORTANCE OF HARNESSING THE CAPACITY OF THE PRIVATE SECTORS. THEY AVOID THE INTELLECTUAL TRAP INTO WHICH WE COULD HAVE FALLEN: THE VIEW THAT THERE IS NO ECONOMIC MODEL, ONE-PRE-DETERMINED ECONOMIC MODEL THROUGH WHICH WE ALL MUST PASS ON THE ROAD TO SOME SORT OF ECONOMIC AND SOCIAL SALVATION.

HAVING SAID WHAT I HAVE JUST SAID, I WISH TO LIST SOME OF THE REASONS FOR US. SUPPORT OF THE EFFORTS OF UNIDO AND OTHER INTERNATIONAL MEANS OF FOSTERING INDUSTRIAL DEVELOPMENT AND COOPERATION. I EMPHASIZE MUTUALITY OF INTERESTS. THE US. HAS SUPPORTED AND WILL SUPPORT UNIDO INsofar AS THE ORGANIZATION MEETS PRESSING NEEDS FOR INDUSTRIAL GROWTH BY PROVIDING INDIVIDUAL GOVERNMENTS WITH VARIOUS SERVICES FACILITATING SUPPLY OF APPROPRIATE TECHNOLOGY AND WITH INFORMATION ABOUT ITS MANAGEMENT AND APPLICATION. THIS SERVICING OF

INDIVIDUAL COUNTRY NEEDS IS REFERRED TO UNDER THE HEADINGS OF "OPERATIONAL ACTIVITIES" IN UNIDO'S BASIC CONSTITUTIONAL DOCUMENT, GENERAL ASSEMBLY RESOLUTION 2152 ADOPTED AT THE TWENTY-FIRST GENERAL ASSEMBLY IN 1966. IT IS WELL KNOWN THAT THE U S POSITION AND THAT OF MANY OTHER GOVERNMENTS IS UNCLASSIFIED

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THAT UNIDO'S MOST EFFECTIVE "OPRATIONAL ACTIVITIES" ARE THOSE CARRIED OUT AS EXECUTING AGENCY FOR THE UNDP.

THE U S HAS SUPPORTED AND WILL SUPPORT UNIDO AS LONG AS IT PROVIDES SERVICES NEEDED BY ALL MEMBER STATES AT ALL LEVELS OF INDUSTRIAL DEVELOPMENT. THESE ARE REFERRED TO IN GA RES. 2152(XXI) AS "ADMINISTRATIVE AND RESEARCH ACTIVITIES." I AM THINKING, MR. CHAIRMAN, OF SUCH ACTIVITIES AS:

--MEETINGS WHERE PROFESSIONALS FROM SPECIFIC SECTORS POOL THEIR EXPERTISE AND EXPLORE THE FEASIBILITY OF IMPROVED TECHNIQUES FOR THE FUTURE;

--PUBLICATION OF DOCUMENTS PREPARED AT MEETINGS OR PREPARED BY EXPERTS WITHIN THE UNIDO SECRETARIAT OR EXPERTS WHOSE SERVICES HAVE BEEN OBTAINED UNDER CONTRACT.

--MATCHING THROUGH VARIOUS MEANS GROUPS DESIRING EXPERTISE WITH THOSE GROUPS DESIROUS OF INVESTING WHERE THEIR EXPERTISE IS NEEDED.

A RECENT EXAMPLE OF SUCH VALUABLE MATCH-MAKING, IN OUR VIEW WAS THE UNIDO CONTRACT ANNOUNCED ON SEPTEMBER 12 OF THIS YEAR UNDER THE TERMS OF WHICH A TEN-MAN TEAM WILL BE PROVIDED TO THE EGYPTIAN GENERAL ORGANIZATION FOR METALLURGICAL INDUSTRIES FOR A PILOT PROJECT IN MANAGED MAINTENANCE AIMED AT INCREASING PRODUCTION IN THE FERROUS AND NON-FERROUS METALLURGICAL INDUSTRIES.

THESE ARE THE VIEW OF MY DELEGATION MR. CHAIRMAN. I HOPED THEY WILL BE RECEIVED IN THE FRANK BUT FRIENDLY SPIRIT IN WHICH THEY HAVE BEEN PRESENTED. WE WISH UNIDO WELL IN PURSUING THE IMPORTANT OBJECTIVE OF INDUSTRIAL DEVELOPMENT, THANK YOU MR. CHAIRMAN.UNQTE
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